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TRACEY C. GREEN
SPECIAL COUNSEL

May 11, 2007

*ALSO ADMITTED IN TX
**ALSO ADMITTED IN VA

VIA HAND DELIVERY

The Honorable Charles L.A. Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Application of Utilities Services of South Carolina, Inc. for Approval of the Transfer of its Water Utility System and Territory Serving the Lakewood Estates and Arrowhead Shores Subdivisions in Lexington County to Carolina Water Service, Inc.

Dear Mr. Terreni:

Enclosed for filing are the original and ten (10) copies of the Application of Utilities Services of South Carolina, Inc., in the above-referenced matter. Also enclosed you will find the Applicant's proposed notice of filing. By copy of this letter, I am serving a copy of these documents upon the Executive Director of the Office of Regulatory Staff and enclose a Certificate of Service to that effect.

I would appreciate your acknowledging receipt of this Application and Certificate by date-stamping the extra copy that is enclosed and returning it to me via the courier delivering same.

If you have any questions or if you need any additional information, please do not hesitate to contact us.

Sincerely,

WILLOUGHBY & HOEFER, P.A.



Benjamin P. Mustian

BPM/twb
Enclosures

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2007-197 -W/S

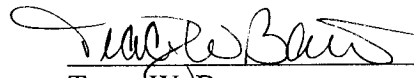
2007 MAY 11 PM 3:14
CLERK OF COURT
COLUMBIA, SOUTH CAROLINA

IN RE:)
)
Application of Utilities Services of)
South Carolina, Inc. for Approval)
of the Transfer of its Water Utility)
System and Territory Serving the)
Lakewood Estates and Arrowhead)
Shores Subdivisions in)
Lexington County to Carolina)
Water Service, Inc.)
_____)

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one (1) copy of the Application by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Honorable C. Dukes Scott
Executive Director
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211



Tracy W. Barnes

Columbia, South Carolina
This 11th day of May, 2007.

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

DOCKET NO. 2007-197-W

RECEIVED
JUN 11 11 31 AM
PUBLIC SERVICE COMMISSION

In Re:)
)
Application of Utilities Services of)
South Carolina, Inc. for Approval)
of the Transfer of its Water Utility)
System and Territory Serving the)
Lakewood Estates and Arrowhead)
Shores Subdivisions in)
Lexington County to Carolina)
Water Service, Inc.)
_____)

APPLICATION

Utilities Services of South Carolina, Inc. ("Applicant" or "USSC"), pursuant to S.C. Code Ann. § 58-5-210 (1976) and 26 S.C. Code Ann. Regs. R. 103-704 (Supp. 2005), and other applicable rules and regulations of the Public Service Commission of South Carolina (the "Commission"), hereby applies for approval of the transfer of its water utility system and territory serving the Lakewood Estates and Arrowhead Shores Subdivisions in Lexington County to Carolina Water Service, Inc. ("CWS"). In support of its Application, Applicant would respectfully show unto this Honorable Commission as follows:

1. USSC is a South Carolina corporation, which is authorized to provide water and sewer services to the public for compensation in certain portions of South Carolina, including water service in the Lakewood Estates and Arrowhead Shores Subdivisions in Lexington

amended). CWS is currently authorized to serve certain subdivisions adjacent to the Lakewood Estates and Arrowhead Shores Subdivisions, including an existing development known as “Smallwood Estates” which currently serves approximately 116 water customers.

3. All communications or inquiries regarding this Application should be directed as set forth below:

APPLICANT’S REPRESENTATIVE:

Mr. Steven M. Lubertozzi
Vice President
Regulatory Matters
Utilities, Inc.
2335 Sanders Road
Northbrook, Illinois 60062-6196

LEGAL COUNSEL:

John M.S. Hoefer, Esquire
Benjamin P. Mustian, Esquire
Willoughby & Hoefer, P.A.
Post Office Box 8416
Columbia, South Carolina 29202-8416

4. Pursuant to authorization of this Commission in its Order No. 2002-533, Docket No. 2002-124-W/S, July 30, 2002, Applicant acquired the Lakewood Estates/Arrowhead Shores water system as part of the purchase of certain water and sewer systems previously owned by Utilities of South Carolina, Inc. After USSC’s acquisition of the Lakewood Estates/Arrowhead Shores water system, CWS and USSC interconnected their water systems in order to allow each system an additional source of capacity when necessary. This interconnection helped ensure the provision of adequate service by both CWS and USSC.

5. USSC desires to transfer to CWS, subject to the approval of this Commission, the water utility facilities and territory serving the Lakewood Estates and Arrowhead Shores Subdivisions presently held by USSC. Applicant submits that the proposed transfer is in the

public interest considering the small, isolated water system is already partially dependent upon supplemental water supplied by CWS. Additionally, because USSC and CWS are both wholly-owned subsidiaries of Utilities, Inc., customers will not experience any disruption in service.

6. If the within Application is granted, customers in USSC's Lakewood Estates/Arrowhead Shores service territory will be charged for water service in accordance with CWS's presently approved residential rate schedule and residential rate schedule as implemented under bond. As is also reflected on Exhibits "B" and "C," the application of CWS's current rates to USSC's Lakewood Estates/Arrowhead Shores customers will result in a slight decrease in monthly water charges based upon the average monthly consumption by said customers of five thousand (5,000) gallons.

7. Based upon the foregoing, Applicant submits that it is in the best interest of the customers within USSC's Lakewood Estates/Arrowhead Shores service area and the public that this Commission approve the transfer of the water utility system and territory to CWS.

WHEREFORE, having fully set forth its Application, USSC respectfully requests that the Commission:

- a. Waive the requirement for hearing on this Application after notice if no intervention arises therefrom;
- b. Approve the transfer to CWS of the water utility system and territory presently held by Applicant in Lakewood Estates/Arrowhead Shores; and
- c. Grant Applicant such other and further relief as is just and proper.

[SIGNATURE ON FOLLOWING PAGE]



John M.S. Hoefer

Benjamin P. Mustian

Willoughby & Hoefer, PA

Post Office Box 8416

Columbia, South Carolina 29202-8416

803-252-3300

Attorneys for Applicant

Columbia, South Carolina
This 11th day of May, 2007

REVISED EXHIBIT "E"
TO SETTLEMENT AGREEMENT
DOCKET NO. 2005-217-WS

UTILITIES SERVICES OF SOUTH CAROLINA, INC.

PROPOSED SCHEDULE OF RATES AND CHARGES

WATER

1. Monthly Charges
Residential

Basic Facilities Charge per single family
house, condominium, mobile home
or apartment unit:

\$14.39 per unit*

Commodity Charge:

\$3.91 per 1,000
gallons or 134 cft

*Residential customers with meters of 1" or larger
will be charged commercial rate

Commercial

Basic Facilities Charge
by meter size:

1"	°	\$35.98
1.5"	°	\$71.97
2"	°	\$115.15
3"	°	\$230.30
4"	°	\$359.84

Commodity Charge:

\$3.91 per 1,000
gallons or 134 cft

Charges for Water Distribution Only

Where water is purchased from a government body or agency or other entity
for distribution and resale by the Company, the following rates apply:

Residential

Basic Facilities Charge per single family
house, condominium, mobile home
or apartment unit:

\$14.39 per unit*

Commodity charge:

\$2.24 per 1,000
gallons or 134 cft

*Residential customers with meters of 1" or larger will be charged commercial rate

Commercial

Basic Facilities Charge
by meter size:

1"	°	\$35.98
1.5"	°	\$71.97
2"	°	\$115.15
3"	°	\$230.30
4"	°	\$359.84

Commodity charge: \$2.24 per 1,000
gallons or 134 cft

The Utility will also charge for the cost of water purchased from the government body or agency, or other entity. The charges imposed or charged by the government body or agency, or other entity providing the water supply will be charged to the Utility's affected customers on a pro rata basis without markup. Where the Utility is required by regulatory authority with jurisdiction over the Utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the Utility's affected customers on a pro rata basis, without markup. The Utility shall give the Commission thirty days notice of its intent to pass-through to customers purchased water charges which are higher than those in effect at the time of the Commission's approval of the within rate schedule. The Utility shall provide with such notice written documentation of an increase by the provider of purchased water justifying the increase in the amount of purchased water charges sought to be passed-through to affected customers. In the event that an increase in the amount of purchased water charges to be passed through to customers rate is found by the Commission to be so justified, USSC will then be required to give customers an additional thirty days notice before the increase in the purchased water charges to be passed through may be put into effect.

Commercial customers are those not included in the residential category above and include, but are not limited to hotels, stores, restaurants, offices, industry, etc.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service

interruptions.

When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

2. Nonrecurring Charges

Tap Fees

\$500 per SFE*

3. Account Set-Up and Reconnection Charges

- a. Customer Account Charge - for new customers only.

All Areas

\$25.00

- b. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of thirty five dollars (\$35.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected. The reconnection fee shall also be due prior to reconnection if water service has been disconnected at the request of the customer.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service, unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

6. Cross Connection Inspection Fee

Any customer installing, permitting to be installed, or maintaining any cross connection between the Utility's water system and any other non-public water system, sewer or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2 (Supp. 2004), as may be amended from time to time. Such a customer shall annually have such cross connection inspected by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A S.C. Code Ann. Regs. R.61—58.7.F.8.(Supp. 2004), as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later than June 30th of each year. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customer's next bill.

- * A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2004), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

SEWER

1. Monthly Charges

Residential - charge per
single-family house, condominium,
villa, or apartment unit:

\$41.39 per unit

Mobile Homes:

\$29.74 per unit

Commercial:

\$41.39 per SFE*

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

Charge for Sewer Collection Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity, for treatment, the Utility's rates are as follows:

Residential - per single-family house,
condominium,
or apartment unit

\$26.64 per unit

Commercial - per single-family
equivalent

\$26.64 per SFE*

The Utility will also charge for treatment services provided by the government body or agency, or other entity. The rates imposed or charged by the government body or agency, or other, entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of a 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup. The Utility shall give the Commission thirty days notice of its intent to pass-through to customers treatment charges which are higher than those in effect at the time of the Commission's approval of the within rate schedule. The Utility shall provide with such notice written documentation of an increase by the provider of treatment services justifying the increase in the amount of treatment charges sought to be passed-through to affected customers. In the event that an increase in the amount of treatment charges to be passed through to customers rate is found by the Commission to be so justified, USSC will then be required to give customers

an additional thirty days notice before the increase in the treatment charges to be passed through may be put into effect.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

Solids Interceptor Tanks

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. Pumping Charge

At such time as the Utility determines through its inspection that excessive solids have accumulated in the interceptor tank, the Utility will arrange for pumping the tank and will include \$150.00 as a separate item in the next regular billing to the customer.

B. Pump Repair or Replacement Charge

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement and may be paid for over a one year period.

C. Visual Inspection Port

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such a visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

2. Nonrecurring Charges

Tap Fee

\$500 per SFE*

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. Notification, Account Set-Up and Reconnection Charges

a. Notification Fee

A fee of six dollars (\$6.00) shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

b. Customer Account Charge - for new customers only.

All Areas

\$25.00

A one-time fee to defray the costs of initiating service. This charge will be waived if the customer also takes water service.

c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred fifty dollars (\$250.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly service charge for the service period they were disconnected.

4. Billing Cycle

Recurring charges will be billed monthly, in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Toxic and Pretreatment Effluent Guidelines

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

6. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable

wastewater into one of its sewer systems. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule and to comply with the guidelines and standards hereof, shall not be denied service, unless treatment capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving sewer system.

In no event will the Utility be required to construct additional wastewater treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

*A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities --25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2004), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

APPENDIX A**CAROLINA WATER SERVICE, INC.**

FILED PURSUANT TO DOCKET NO. 2004-357-W/S – ORDER NO. 2007-135
EFFECTIVE DATE: MARCH 1, 2007

SCHEDULE OF RATES AND CHARGES**WATER**

1. Monthly Charges

Residential

Base Facilities Charge per single family
house, condominium, mobile home
or apartment unit:

\$10.25 per unit

Commodity Charge:

\$3.32 per 1,000
gallons or 134 cft

Commercial

5/8" meter	\$ 10.25
1" "	\$ 25.62
1.5" "	\$ 51.25
2" "	\$ 82.00
3" "	\$164.00
4" "	\$256.25

Commodity Charge:

\$3.32 per 1,000
gallons or 134 cft

2. Charges for Water Distribution Only

Where water is purchased from a government body or agency or other entity
for distribution and resale by the Company, the following rates apply:

Residential

Base facilities Charge per single family
house, condominium, mobile home
or apartment unit:

\$10.25 per unit

Commodity charge:

\$1.90 per 1,000
gallons or 134 cft

Commercial

Base Facilities Charge
by meter size:

5/8" meter	\$ 10.25
1" "	\$ 25.62
1.5" "	\$ 51.25
2" "	\$ 82.00
3" "	\$164.00
4" "	\$256.25

Commodity charge: \$1.90 per 1,000
gallons or 134 cft

The Utility will also charge for the cost of water purchased from the government body or agency, or other entity. The charges imposed or charged by the government body or agency, or other entity providing the water supply will be charged to the Utility's affected customers on a pro rata basis without markup. Where the Utility is required by regulatory authority with jurisdiction over the Utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the Utility's affected customers on a pro rata basis, without markup.

Commercial customers are those not included in the residential category above and include, but are not limited to hotels, stores, restaurants, offices, industry, etc.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will

be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

2. Nonrecurring Charges

- | | |
|--|----------------|
| a. Water Service Connection (New connections only) | \$300 per SFE* |
| b. Plant Impact Fee (New connections only) | \$400 per SFE* |

3. Account Set-Up and Reconnection Charges

- a. Customer Account Charge - for new customers only.
- | | |
|-----------|----------|
| All Areas | \$ 13.50 |
|-----------|----------|
- b. Reconnection Charges:

In addition to any other charges that may be due, a reconnection fee of thirty five dollars (\$35.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected. The reconnection fee shall also be due prior to reconnection if water service has been disconnected at the request of the customer.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service, unless water supply is unavailable or unless the South Carolina Department of Health and

Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

6. Cross Connection Inspection Fee

Any customer installing, permitting to be installed, or maintaining any cross connection between the Utility's water system and any other non-public water system, sewer or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S C. Code Ann. Regs. R.61-58.7.F.2 (Supp. 2003), as may be amended from time to time. Such a customer shall annually have such cross connection inspected by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A. S. C. Code Ann. Regs R61-58.7.F.8 (Supp. 2003), as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later than June 30th of each year. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customer's next bill.

*A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities – 25 S. C. Code Ann. Regs. 61-67 Appendix A (Supp. 2003), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

SCHEDULE OF RATES AND CHARGES

SEWER

1. Monthly Charges

Residential - charge per
single-family house, condominium,
villa, or apartment unit: \$38.14 per unit

Mobile Homes - monthly charge: \$27.21 per unit

Commercial - monthly charge: \$38.14 per SFE*

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

Charge for Sewage Collection Service Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity, for treatment, the Utility's rates are as follows:

Residential – per single-family house,
condominium,
or apartment unit \$24.37 per unit

Commercial - monthly charge per
single-family equivalent \$24.37 per SFE*

The Utility will also charge for treatment services provided by the government body or agency, or other entity. The rates imposed or charged by the government body or agency, or other, entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of the 201/208 Plan or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

Solids Interceptor Tanks

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. Pumping Charge

At such time as the Utility determines through its inspection that excessive solids have accumulated in the interceptor tank, the Utility will arrange for pumping the tank and will include \$150.00 as a separate item in the next regular billing to the customer.

B. Pump Repair or Replacement Charge

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement and may be paid for over a one year period.

C. Visual Inspection Port

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples there from. Failure to provide such a visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

2. Nonrecurring Charges

- | | |
|--|----------------|
| a) Sewer Service Connection (New connections only) | \$300 per SFE* |
| b) Plant Impact Fee (New connections only) | \$400 per SFE* |

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. Notification, Account Set-Up and Reconnection Charges

a. Notification Fee

A fee of four dollars (\$4.00) shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

b. Customer Account Charge - for new customers only.

All Areas

\$ 13.50

A one-time fee to defray the costs of initiating service. This charge will be waived if the customer also takes water service.

- c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred fifty dollars (\$250.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly service charge for the service period they were disconnected.

4. Billing Cycle

Recurring charges will be billed monthly, in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Toxic and Pretreatment Effluent Guidelines

The Utility will not accept or treat any substance or material that has been

defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

6. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule and to comply with the guidelines and standards hereof, shall not be denied service, unless treatment capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving sewer system.

In no event will the Utility be required to construct additional wastewater treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

- * A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities –25 S. C. Code. Ann. Regs. 61-67 Appendix A (Supp. 2003), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

EXHIBIT "G" TO SETTLEMENT AGREEMENT
DOCKET NO. 2006-92-WS
PROPOSED RATE SCHEDULE

CAROLINA WATER SERVICE, INC.

SCHEDULE OF RATES AND CHARGES
WATER

1. Monthly Charges

Residential

Base Facilities Charge per single family house, condominium, mobile home or apartment unit:

\$ 11.09 per unit

Commodity Charge:

\$3.55 per 1,000 gallons or 134 cft

Commercial

Base Facilities Charge by meter size:

5/8" meter	\$ 11.09
1"	\$ 29.02
1.5"	\$ 58.04
2"	\$ 92.86
3"	\$174.12
4"	\$290.20

Commodity Charge:

\$ 3.55 per 1,000 gallons or 134 cft

Charges for Water Distribution Only

Where water is purchased from a government body or agency or other entity for distribution and resale by the Company, the following rates apply:

Residential

Base Facilities Charge per single family house, condominium, mobile home or apartment unit:

\$11.09 per unit

Commodity charge:

\$2.03 per 1,000

		gallons or 134 cft
<u>Commercial</u>		
Base Facilities Charge		
by meter size:		
5/8" meter	\$ 11.09	
1"	\$ 29.02	
1.5"	\$ 58.04	
2"	\$ 92.86	
3"	\$174.12	
4"	\$290.20	
Commodity charge:	\$2.03 per 1,000	gallons or 134 cft

The Utility will also charge for the cost of water purchased from the government body or agency, or other entity. The charges imposed or charged by the government body or agency, or other entity providing the water supply will be charged to the Utility's affected customers on a pro rata basis without markup. Where the Utility is required by regulatory authority with jurisdiction over the Utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the Utility's affected customers on a pro rata basis, without markup.

Commercial customers are those not included in the residential category above and include, but are not limited to hotels, stores, restaurants, offices, industry, etc.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

2. Nonrecurring Charges

A) Water Service Connection (New connections only) \$300 per SFE*

B) Plant Impact Fee (New connections only) \$400 per SFE*

3. Account Set-Up and Reconnection Charges

a. Customer Account Charge - for new customers only.

b. All Areas \$ 13.50

b. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of thirty five dollars (\$35.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected. The reconnection fee shall also be due prior to reconnection if water service has been disconnected at the request of the customer.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service, unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

6. Cross Connection Inspection Fee

Any customer installing, permitting to be installed, or maintaining any cross connection between the Utility's water system and any other non-public water

system, sewer or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2 (Supp. 2005), as may be amended from time to time. Such a customer shall annually have such cross connection inspected by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A S.C. Code Ann. Regs. R.61—58.7.F.8 (Supp. 2005), as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later than June 30th of each year. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customer's next bill.

* A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2005), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

SCHEDULE OF RATES AND CHARGES

SEWER

1. Monthly Charges

Residential - charge per
single-family house, condominium,
villa, or apartment unit:

\$39.00 per unit

Mobile Homes:

\$27.77 per unit

Commercial:

\$39.00 per SFE*

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

Charge for Sewer Collection Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity, for treatment, the Utility's rates are as follows:

Residential - per single-family house,
condominium, or apartment unit

\$25.70 per unit

Commercial - per single-family
equivalent

\$25.70 per SFE*

Charge for Wholesale Service (Midlands Utility)

\$16.53 per SFE*

The Utility will also charge for treatment services provided by the government body or agency, or other entity. The rates imposed or charged by the government body or agency, or other, entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of a 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

Solids Interceptor Tanks

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. Pumping Charge

At such time as the Utility determines through its inspection that excessive solids have accumulated in the interceptor tank, the Utility will arrange for pumping the tank and will include \$150.00 as a separate item in the next regular billing to the customer.

B. Pump Repair or Replacement Charge

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement and may be paid for over a one year period.

C. Visual Inspection Port

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such a visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

2. Nonrecurring Charges

- | | | |
|----|---|----------------|
| A) | Sewer Service Connection (New connections only) | \$300 per SFE* |
| B) | Plant Impact Fee (New connections only) | \$400 per SFE* |

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a non residential customer is greater

than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. Notification, Account Set-Up and Reconnection Charges

a. Notification Fee

A fee of four dollars (\$4.00) shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

b. Customer Account Charge - for new customers only.

All Areas

\$ 13.50

A one-time fee to defray the costs of initiating service. This charge will be waived if the customer also takes water service.

c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred fifty dollars (\$250.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly service charge for the service period they were disconnected.

4. Billing Cycle

Recurring charges will be billed monthly, in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Toxic and Pretreatment Effluent Guidelines

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's

minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

6. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule and to comply with the guidelines and standards hereof, shall not be denied service, unless treatment capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving sewer system.

In no event will the Utility be required to construct additional wastewater treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

- * A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities --25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2005), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING

DOCKET NO. 2007-____-W

UTILITIES SERVICES OF SOUTH CAROLINA, INCORPORATED – APPLICATION FOR APPROVAL OF THE TRANSFER OF ITS WATER SYSTEM SERVING LAKEWOOD AND ARROWHEAD SHORES SUBDIVISIONS TO CAROLINA WATER SERVICE, INC.

Pursuant to S.C. Code Ann. § 58-5-210 (1976) and 26 S.C. Code Ann. Regs. 103-704 (Supp. 2005), Utilities Services of South Carolina, Inc. (USSC or the Company) has filed an Application with the Public Service Commission of South Carolina (the Commission) for approval of a proposed transfer of the Company's water utility system serving the Lakewood and Arrowhead Shores subdivisions in Lexington County to Carolina Water Service, Inc. (CWS).

In support of its application, USSC asserts, among other things, that the public interest will be served by a transfer of this system to CWS considering the small, isolated water system is already partially dependent upon supplemental water supplied by CWS, and because customers will experience a slight rate decrease if the proposed transfer is approved based upon current CWS residential rates.

A copy of the Application is on file in the offices of the Public Service Commission of South Carolina, 101 Executive Center Drive, Synergy Business Park, Columbia, South Carolina 29210, the Commission's website at www.psc.sc.gov and is available from Benjamin P. Mustian, Esquire, Willoughby & Hoefer, P.A., Post Office Box 8416, Columbia, South Carolina 29202.

If necessary, a public hearing may be held in the Commission's Hearing Room, Synergy Business Park, 101 Executive Center Dr., Columbia, South Carolina in order for testimony and evidence to be received from all interested parties.

Any person who wishes to testify and present evidence at a hearing concerning these matters should notify, in writing, the Docketing Department at the address below, the Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and Benjamin P. Mustian, Esquire, Willoughby & Hoefer, P.A., Post Office Box 8416, Columbia, South Carolina 29202-8416 on or before _____, 2007. Please refer to **Docket No. 2007-____-W**.

Any person who wishes to participate in this matter, as a Party of Record with the right of cross-examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure, on or before _____, 2007 and indicate the amount of time required for his presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. Please refer to **Docket No. 2007-____-W**.

Any person who wishes to be notified of any change in the hearing date, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before _____, 2007. Please refer to **Docket No. 2007-____-W**.

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, SC 29211

— 2007